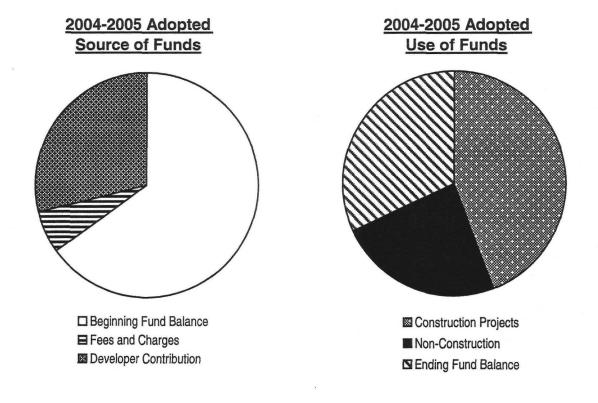
2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

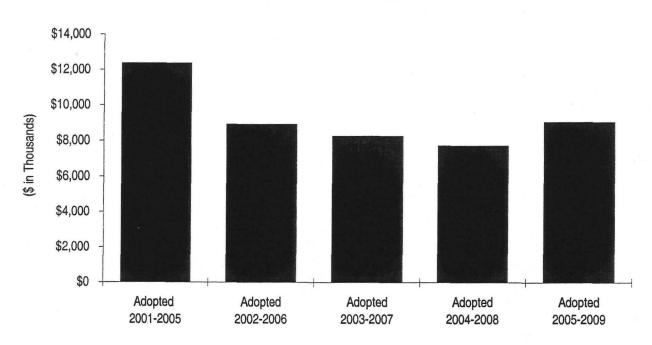
DEVELOPER
ASSISTED PROJECTS

DEVELOPER ASSISTED PROJECTS CAPITAL PROGRAM

2005-2009 Capital Improvement Program



CIP History



Developer Assisted Projects

2005-2009 Adopted Capital Improvement Program

Overview

Introduction

The Developer Assisted Projects Capital Program includes the Underground Utility Fund and the Residential Construction Tax Contribution Fund (RCTCF). These funds are set up primarily to receive money from and/or provide payments to developers and utility companies. The 2005-2009 Adopted Capital Improvement Program (CIP) provides funding of \$9.1 million, of which \$3.6 million is allocated in 2004-2005.

This program is part of the Economic and Neighborhood Development City Service Area (CSA) and supports the following outcome: Safe, Healthy, Attractive and Vital Community.

Program Priorities and Objectives

This capital program is used to reimburse residential developers for the construction of street improvements throughout the City and encourage the undergrounding of existing overhead facilities.

The Underground Utility Fund is used to collect developer fees when a developer opts out of placing facilities underground at the time of development. The fund is then used to establish Rule 20B Underground Utility These districts combine several Districts. smaller undergrounding projects into one large project so as to mitigate the undesired result of piecemeal undergrounding occurring throughout the City. The districts pay for the design, construction, and administration of these projects. Projects are prioritized with a 5-year plan based on several criteria, the largest of which is the total amount of fees collected within the proposed Underground Utility District. Other criteria include whether

or not the underground work can be coordinated with other capital improvement work such as street widening, and established equity in the amount of undergrounding proposed among Council Districts.

The Underground Utility Fund is also responsible for the administration of the Rule 20A Program. Through Rule 20A, the California Public Utilities Commission (CPUC) requires Pacific Gas and Electric (PG&E) to annually set aside funds to finance the undergrounding of overhead facilities located on public streets within the City of San José. Pacific Bell (SBC) and Comcast budget funds to participate in the projects PG&E Rule 20A funds programmed. City staff legislates the utility underground districts, reviews plans and and coordinates and inspects undergrounding projects.

Developers who construct residential dwelling units pay contributions to the RCTCF. Payments from the fund are made to developers who construct eligible improvements on major City streets in connection with new residential developments. This program implements the City's General Plan Goals and Policies, which state that the City should assign priority to the installation and maintenance of landscaping in median islands and back-up strips along major thoroughfares. Reimbursements developers for qualifying improvements are made on a first come, first served basis according to when the improvements are accepted by the City and when the developers subsequently invoice the City with appropriate documentation of their costs. The major program priority and objective is to ensure that residential developments within San José construction include the public of

Developer Assisted Projects

2005-2009 Adopted Capital Improvement Program

Overview

Program Priorities and Objectives (Cont'd.)

improvements necessary to maintain or improve the infrastructure of the City.

On April 23, 1992, the City Council approved an amendment to the RCTCF Ordinance in an effort to achieve a balance between annual revenues and expenditures and reduce a large fund balance. The amendment modified the ordinance to allow for the use of funds for several additional purposes, including the construction of city-wide median island landscape projects along residential frontage streets, provided funds are available in the RCTCF.

Sources of Funding

Revenue for the CIP is derived from two sources: the Residential Construction Tax (\$956,000), and the Underground Utility In-Lieu Fee (\$5.75 million), which are paid by developers. The revenue projections for the Residential Construction Tax are significantly higher than the \$428,000 included in the 2004-2008 Adopted CIP based on actual performance and estimated activity levels. The annual Residential Construction Tax revenues are projected to increase from \$196,000 in 2003-2004 to \$224,000 in 2004-2005 and level off at \$183,000 from 2005-2006 through 2008-2009. Underground Utility In-Lieu Fee collections are anticipated to remain flat at \$1,050,000 in 2004-2005 and increase slightly in each of the remaining years of the CIP.

In both the Residential Construction Tax Contribution Fund and the Underground Utility Fund, a significant portion of the respective fund balances will be used along with the projected tax and fee revenues to support the ongoing build out of undergrounding projects and the reimbursements to developers for their street improvement projects. As the fund balances are depleted, the number of projects that can be undertaken begins to decline in the out-years of the CIP.

Program Highlights

Some major anticipated activities within the RCTCF include reimbursements to KB Homes South Bay and Summerhill Homes for median island construction and center strip paving related to the Communications Hill and Dairy Hill projects. The reimbursements to these developers are programmed in 2004-2005 and 2005-2006. Specifically, \$310,000 is programmed for median reimbursements and \$150,000 for center strip paving reimbursements in 2004-2005. 2005-2006, \$200,000 is earmarked for median island landscaping and \$80,000 programmed for center strip paving. Beyond 2005-2006, no specific reimbursements in the RCTCF are planned.

Within the Underground Utility Fund, current priorities include the following projects: Jackson/Taylor Underground Utility District, Stevens Creek Underground Utility District, Park/Naglee Underground Utility District, Camden Avenue Underground Utility District, and Saratoga Avenue Underground Utility District.

Major Changes from the 2004-2008 Adopted CIP

 Additional funding for reimbursement to developers for landscaping is necessary

Developer Assisted Projects

2005-2009 Adopted Capital Improvement Program

Overview

Major Changes from the 2004-2008 Adopted CIP (Cont'd.)

to fund significant median island construction associated with the Communications Hill and Dairy Hill projects.

 As discussed above, the revenue estimates for the Residential Construction Tax are significantly higher than in the prior CIP.

Operating Budget Impact

There are no additional operating and maintenance costs associated with the projects in the 2005-2009 Adopted CIP, given that the median island construction and center strip paving related to the Communications Hill and Dairy Hill projects will be maintained through an assessment district involving newly developed properties.

Council Approved Revisions to the Proposed Capital Improvement Program

None

2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

DEVELOPER ASSISTED PROJECTS

Source of Funds

Use of Funds

2004-2005 Use of Funds by Funding Source

The Source of Funds displays the capital revenues by funding source for each year of the Five-Year Capital Improvement Program. The Use of Funds displays the capital expenditures by line-item for each year of the five-year period. The 2004-2005 Use of Funds by Funding Source displays the funding sources for the capital expenditures that are budgeted in 2004-2005.

2005-2009 Adopted Capital Improvement Program Source of Funds

Estimated 5-Year Total 2003-2004 2004-2005 2005-2006 2006-2007 2007-2008 2008-2009 SOURCE OF FUNDS **Underground Utility Fund Beginning Fund Balance** 1,787,805 * 1,921,814 1,787,805 892,805 575,805 584,805 526,805 5,750,000 **Developer Contributions** 1,050,000 1,050,000 1,100,000 1,150,000 1,200,000 1,250,000 **Reserve for Encumbrances** 726,991 7,537,805 * **Total Underground Utility Fund** 3,698,805 2,837,805 1,992,805 1,725,805 1,784,805 1,776,805 **Residential Construction Tax Contribution Fund Beginning Fund Balance** 825,968 568,329 266,329 102,329 126,329 164,329 568,329 * Taxes, Fees & Charges: Residential Construction Tax 196,000 224,000 183,000 183,000 183,000 183,000 956,000 **Developer Contributions** 20,000 2,361 **Reserve for Encumbrances Total Residential Construction** 1,044,329 792,329 449,329 285,329 309,329 347,329 1,524,329 * **Tax Contribution Fund** 4,743,134 3,630,134 2,442,134 2,011,134 2,094,134 2,124,134 **TOTAL SOURCE OF FUNDS** 9,062,134 *

^{*} The 2005-2006 through 2008-2009 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

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Developer Assisted Projects Capital Program

2005-2009 Adopted Capital Improvement Program

Use of Funds

USE OF FUNDS	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	5-Year Total
Construction Projects							
Underground Utility Program	1,570,000	1,600,000	1,050,000	750,000	850,000	840,000	5,090,000
Total Construction Projects	1,570,000	1,600,000	1,050,000	750,000	850,000	840,000	5,090,000
Non-Construction							
General Non-Construction							
Budget Office Capital Program	16,000	17,000	18,000	20,000	21,000	22,000	98,000
CIP Action Team	37,000	41,000	36,000	33,000	37,000	45,000	192,000
Community Facilities District 8 Annexation	20,000						
Information Technology Staff	27,000	18,000	19,000	20,000	21,000	23,000	101,000
PW Equipment Maintenance and	53,000						
Replacement	400.000						
Street Improvements for New Development	100,000						
Reimbursement to Developers For	204,000	310,000	200,000	75,000	50,000	50,000	685,000
Landscaping							
3. Reimbursement to Developers for Center Strip	72,000	150,000	80,000	30,000	55,000	50,000	365,000
Paving 4. Residential Program Administration	41,000	43,000	45,000	30,000	15,000	15,000	148,000
5. Underground Utility Administration (20A)	169,000	210,000	216,000	223,000	229,000	236,000	1,114,000
6. Underground Utility Administration (20B)	78,000	82,000	88,000	93,000	99,000	104,000	466,000
Total General Non-Construction	817,000	871,000	702,000	524,000	527,000	545,000	3,169,000
Reserves							
Civic Center Occupancy Reserve			12,000	26,000	26,000	26,000	90,000

2005-2009 Adopted Capital Improvement Program

Use of Funds

USE OF FUNDS (CONT'D.)	Estimated 2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	5-Year Total
Non-Construction							
Reserves							
Total Reserves		2000	12,000	26,000	26,000	26,000	90,000
Total Non-Construction	817,000	871,000	714,000	550,000	553,000	571,000	3,259,000
Ending Fund Balance	2,356,134	1,159,134	678,134	711,134	691,134	713,134	713,134*
TOTAL USE OF FUNDS	4,743,134	3,630,134	2,442,134	2,011,134	2,094,134	2,124,134	9,062,134*

^{*} The 2004-2005 through 2007-2008 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of same funds.

2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

DEVELOPER ASSISTED PROJECTS

DETAIL OF

CAPITAL PROJECTS

The Detail of Capital Projects section provides information on the individual capital projects with funding in 2004-2005, including the following: project name, City Service Area (CSA) and CSA Outcome supported by the project, responsible department, Council District, project location, project description, project start and completion dates, project justification, project costs by type of expenditure, funding sources for the project, and the annual operating budget impact. On the Use of Funds statement, these projects are numbered.

2005-2009 Adopted Capital Improvement Program **Detail of Capital Projects**

1. Underground Utility Program

CSA:

Economic and Neighborhood Development

Initial Start Date:

Ongoing

CSA Outcome:

Safe, Healthy, Attractive and Vital Community

Revised Start Date:

Department:

Public Works

Initial Completion Date:

Ongoing

Council District:

City-wide

Revised Completion Date:

Location:

City-wide

Description:

The Underground Utility Program establishes Rule 20B Underground Utility Districts that pay for the design, construction, and administration of projects to convert overhead utilities to underground facilities. Projects are prioritized with a 5-year plan based on several criteria, the largest of which is the total amount of fees collected within the proposed Underground District.

Justification:

Underground Utility Ordinance No. 23187 mandates that fees collected pursuant to the ordinance be used to fund the conversion of overhead utility facilities to underground facilities. The purpose of the conversions is to implement the urban design policies of San José's General Plan.

THE PLAN SHAPE	Y STATE	EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total	
Construction		2,680	1,570	1,600	1,050	750	850	840	5,090			
TOTAL		2,680	1,570	1,600	1,050	750	850	840	5,090			
The State of			FUN	IDING SO	URCE SC	HEDULE ((000'S)			12493	Fre Lit	
Underground Utility Fund		2,680	1,570	1,600	1,050	750	850	840	5,090	,	н	
TOTAL		2,680	1,570	1,600	1,050	750	850	840	5,090			
			ANNITA	OPERA	TING BUI	GET IMP	ACT (000'	3)		E HANKS		

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:

Ongoing

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Adopted Capital Improvement Program **Detail of Capital Projects**

2. Reimbursement to Developers For Landscaping

CSA:

Economic and Neighborhood Development

Initial Start Date:

Ongoing

CSA Outcome:

Safe, Healthy, Attractive and Vital Community

Revised Start Date:

Department:

Public Works

Initial Completion Date:

Ongoing

Council District:

City-wide

Revised Completion Date:

Location:

N/A

Description:

This allocation provides reimbursement to developers to install landscaping on City streets near

developments.

Justification:

This program implements the City's General Plan Goals and Policies, which state that the City should

assign priority to the installation and maintenance of median islands and back-up strips along major

thoroughfares.

			E	XPENDIT	URE SCH	EDULE (0	00'S)				
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Payment to Developers		204	204	310	200	75	50	50	685		
TOTAL		204	204	310	200	75	50	50	685		2 %
			FUN	IDING SO	URCE SC	HEDULE (000'S)				
Residential Construction Tax Contribution Fund	.*	204	204	310	200	75	50	50	685		
TOTAL		204	204	310	200	75	50	50	685		

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:

Ongoing

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Adopted Capital Improvement Program Detail of Capital Projects

3. Reimbursement to Developers for Center Strip Paving

CSA:

Economic and Neighborhood Development

Initial Start Date:

Ongoing

CSA Outcome:

Safe, Healthy, Attractive and Vital Community

Revised Start Date:

Jingoing

Department:

Public Works

Initial Completion Date:

Ongoing

Council District:

City-wide

Revised Completion Date:

Location:

N/A

N.

Description:

This allocation provides reimbursement to developers of residential projects being built adjacent to major collectors for the costs of paving the street beyond the 30 foot width for residential streets.

Justification:

This program implements the City's General Plan Goals and Policies, which state that the City should assign priority to the installation and maintenance of median islands and back-up strips along major thoroughfares.

	EXPENDITURE SCHEDULE (000'S)										
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Payment to Developers		102	72	150	80	30	55	50	365		
TOTAL		102	72 EUN	150	80 IBCE SC	30 JEDIJ E /	55	50	365		
			FUN	IDING SO	JRCE SCI	HEDULE (000.5)				
Residential Construction Tax Contribution Fund		102	72	150	80	30	55	50	365		
TOTAL		102	72	150	80	30	55	50	365		

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:

Ongoing

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Adopted Capital Improvement Program **Detail of Capital Projects**

4. Residential Program Administration

CSA:

Economic and Neighborhood Development

Initial Start Date:

Ongoing

CSA Outcome:

Safe, Healthy, Attractive and Vital Community

Revised Start Date:

Department:

Public Works

Initial Completion Date:

Ongoing

Council District:

City-wide

Revised Completion Date:

Location:

N/A

Description:

This allocation provides for the administration of the Residential Construction Tax Contribution Fund.

Justification:

Funds are necessary to administer the collection and distribution of funds related to the Residential

Construction Tax Contribution Fund.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Program Management		41	41	43	45	30	15	15	148		
TOTAL		41	41 EUN	43 IDING SO	45 URCE SC	30 HEDULE	15 (2,000)	15	148		
Residential Construction Tax Contribution Fund		41	41	43	45	30	15	15	148		
TOTAL		41	41	43	45	30	15	15	148		

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:

Ongoing

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Adopted Capital Improvement Program **Detail of Capital Projects**

5. Underground Utility Administration (20A)

CSA:

Economic and Neighborhood Development

Initial Start Date:

Ongoing

CSA Outcome:

Safe, Healthy, Attractive and Vital Community

Revised Start Date:

Department:

Public Works

Initial Completion Date:

Ongoing

Council District:

City-wide

Revised Completion Date:

Location:

N/A

Description:

PG&E and other utility companies allocate their own funds to replace existing overhead electrical facilities with underground electrical facilities within the communities they serve. This allocation provides funding for the day-to-day administration of the undergrounding program, including design and plan review, coordination, inspection of undergrounding projects, underground service alert locating, and legislation of the Underground Utility Districts.

Justification:

Underground Utility Projects occur per the City Council endorsed 5-year workplan. The purpose of the conversion is to implement the urban design policies of San José's General Plan.

力與各类的特殊			E								
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total
Program Management		169	169	210	216	223	229	236	1,114		
TOTAL		169	169	210	216	223	229	236	1,114		
DAYS STREET		SHIP	FUN	IDING SO	URCE SC	HEDULE ((000'S)				
Underground Utility Fund		169	169	210	216	223	229	236	1,114		
TOTAL		169	169	210	216	223	229	236	1,114		

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:

Ongoing

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #:

2005-2009 Adopted Capital Improvement Program **Detail of Capital Projects**

6. Underground Utility Administration (20B)

CSA:

Economic and Neighborhood Development

Initial Start Date:

Ongoing

CSA Outcome:

Safe, Healthy, Attractive and Vital Community

Revised Start Date:

Department:

Public Works

Council District:

City-wide

Initial Completion Date: Revised Completion Date:

Ongoing

Location:

N/A

Description:

Ordinance No. 23187 established an Underground Utility Fee Program whereby developers can pay a fee in lieu of being required to underground all overhead utilities adjacent to their developments. This allocation provides funding for the day-to-day administration of this Ordinance, including plan

Justification:

Staff support is necessary to administer the Underground Utility Program.

	EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2003-04 Appn.	2003-04 Estimate	2004-05	2005-06	2006-07	2007-08	2008-09	5-Year Total	Beyond 5-Year	Project Total	
Program Management		138	78	82	88	93	99	104	466			
TOTAL		138	78	82	88	93	99	104	466			
			FUN	IDING SO	URCE SC	HEDULE (000'S)					
Underground Utility Fund		138	78	82	88	93	99	104	466			
TOTAL		138	78	82	88	93	99	104	466			

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:

Ongoing

Redevelopment Area:

N/A

Initial Project Budget:

SNI Area:

N/A

Appn. #: